PRESENTED TO THE 4310.a.21.

Public Library of the City of Boston

SICUT PATRIBUS SIT DEUS NOBIS

BOSTONIA

CONDITA A.D.

1630.

CIVITATIS REGIMINE DONATA A.D. 1822

By Wright & Potter.

Received Feb. 3, 1863. No 581 2.

MASSACHUSETTS AND THE WAR TAX.

SPEECH

OF

HON. ALEX. H. BULLOCK,

(SPEAKER,)

IN THE

Massachusetts House of Representatives,

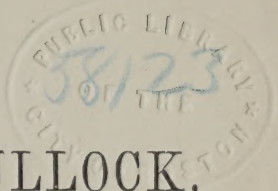
APRIL 10, 1862.

BOSTON:
WRIGHT & POTTER, PRINTERS, 4 SPRING LANE.
1862.

MASSACHUSETTS AND THE WAR TAX.

SPEECH

OF



HON. ALEX. H. BULLOCK,

(SPEAKER,)

IN THE

Massachusetts House of Representatives,

APRIL 10, 1862.

BOSTON:
WRIGHT & POTTER, PRINTERS, 4 SPRING LANE.
1862.

PUBLIC LIBRARY OF THE CITY OF BOSTON

MASSACHUSETTS AND THE WAR TAX.

Mr. Speaker,—During a period of three months marked by events in the country which in other ages would have furnished history for a generation, involving, frequently, painful alternations of hope and doubt, —at one time darkened by general depression, but of late become luminous by a series of achievements which promise the happiest results,—it has been our duty, throughout the whole, to attend patiently to the interests of our own Commonwealth. That duty, I need not say, has been discharged with an unusual degree of harmony among ourselves. One of the last of our public acts is now under consideration, and upon that we are all agreed, which is to levy the tax. All the other assurances of war have been spread out so long and so vividly, that our senses have become accustomed to the scenes passing around us. Without conditions we have urged the General Government to furnish appliances for the conflict; and upon the able, patriotic, and energetic Chief Magistrate of Massachusetts we have conferred full authority for every form of expenditure which the service might require. We have met the exigency without reservation. But

now it is that another evidence of a state of war confronts us, and demands our recognition and action. The bills are coming in; the debt is to be provided for. The bills are many, and the debt will be large; but they are upon us, and must be met.

And here let me appeal to the Representatives, and through them to the people of the State, not to overlook one consideration which may well furnish a solace amid the public burdens. Since war has been forced upon us,—war of such dimensions that, in comparison with it, all our previous experience passes into an eclipse,—we ought to regard it as some compensation for the sacrifices required of us, that the conflict is removed from our own doors. In the commencement of the contest, and in one of his last public addresses, Mr. Douglas, whose untimely death I am sure we all deplore, justly exhorted the government to act with such vigor, that it should be a war in the cotton fields of the South, and not in the corn fields of the North. That has been accomplished. And when the people of Massachusetts look about them, and contemplate their own condition,—their fields, and marts, and workshops comparatively undisturbed; the ordinary channel and current of their life, if impeded, not closed up; their institutions under free and full progress; their domestic tranquillity not molested, —and compare all this with the waste and desolation which have swept the field of operations in the States upon the border, certainly they cannot fail to appre-

ciate the beneficent Providence which has tempered the severity of their burdens with a mercy of divine economy. The war produces embarrassments here; but there are States where it makes solitudes.

In our discussions concerning the public debt and taxation, whether here or in the country, I deem it of high importance that we should avoid all extremes of sensation. Some there are who speak of national bankruptcy; while others treat our unexampled expenditures as a light matter, not likely to produce any appreciable inconvenience to the people. Both classes of persons are, in my judgment, equally unsafe guides. The accumulation of debt, which is now unavoidable, is unprecedented in its magnitude; but it will be met, and we shall not become bankrupt.

We ought not to attempt any disguise of the magnitude of the present expenditures. They are undoubtedly far in advance of any example of which we have historical information. War, at all times expensive, has been rendered doubly extravagant in our case, by the surprise and the exigency which demanded immediate outlays, without the benefit of that order and system which can only be realized when there is time for deliberation and preparation. Waste and fraud, also, have doubtless done their full share to swell the amount. At this moment, no man in the country can have any exact idea of the rate at which we are massing the debt. There is a discrepancy between the Secretary of the Treasury and

the gentlemen of the Ways and Means, and I doubt if any two of the latter would state the matter in the same figures. Averaging these authorities, we might find that our expenditure will amount to 800,000,000 dollars or 900,000,000 dollars by January next, and to 1,200,000,000 dollars by July following.* I see it stated by a member of the Senate, that we are expending at the rate of thirty dollars a head in a loyal population of 23,000,000, while England at the height of her war with Napoleon, did not go beyond twenty dollars per head. I do not know how such statements in detail may correspond with the actual facts; but it is certain that the accumulation of our disbursements is without a parallel. The greatest stride that was ever made in the British debt was from 1803 to 1815, a period of twelve years, during which England conducted the battles of the nationalities of Europe, increasing her debt in that time a little more than 1,500,000,000 dollars. And who of us all would not be willing to-day to close in advance the final account of the present war, by estimating the cost of the subjugation of the rebellion, and the recovery of the public liberties, from April, 1861, to April, 1863, to be no more after the lapse of two years, than that of Great Britain at the expiration of twelve years? Such rapidity and extent of indebtedness as this, would have baffled the

*Mr. Stevens, the Chairman of Ways and Means, has since stated the expenditures at a much higher rate.

powers of any European government recorded in the annals of time. If, at the commencement of this century, the British ministry had promulgated its intention to expend a thousand five hundred millions in resisting for two years the arch foe of the peace and stability of the island, solemn and profound as was the sense of danger and of duty which pervaded the minds of Englishmen, I verily believe the keys of office would have fallen from the hands of administration in thirty days. The American people, and the American people alone, could be called upon to cope with the great problem which in the foreknowledge of God has been reserved for our time and our country. Believe not that we are to sustain these burdens, and not have care and thought engraved upon our faces. The day of severe fact is before us. Nevertheless, the analogies of our experience, the miracles of our history, the configuration of our land, richest of the earth and made for empire, the knit and compacted character of our people, built up on Teutonic foundations, yet flexible with the capacities of all choicest nationalities, the gloom and despair of our fathers turned to hope and fruition before they slept, move us forward with inspiring belief that what would have discouraged other nations, is in our case a practicality which a single generation can crown with performance.

We are entering, then, upon an era of national debt. Great wars always bequeath such a legacy to

succeeding peace. This government is running an account which cannot be liquidated in ten years, perhaps not in twenty; and it is right that it should be so. We are struggling for the patrimony of our children, and some portion of the cost will justly descend to them with the blessings of the purchase. I hear it sometimes said in the street that a public debt is a public good; but such remarks always appear to me as the impulse of unreflecting minds. It was never clear to my comprehension how a debt could be a benefit. In his opinions upon that subject, Hamilton in his youth possessed at least the wisdom of Burke in his age. And yet the history of Great Britain, and of our country as well, has shown that a national debt, if it be a burden, is nothing more. We of this generation have been so long enabled to pay as we go along, that it is no wonder that the shadows of the present fiscal emergency darken the spirits of men whose life has been accustomed only to peace theories of finance. In this respect we are only reproducing the experience of those who have gone before us. It is now a hundred and seventy years since the first permanent English loan was made by Parliament, inaugurating that policy which has astonished half a dozen generations of statesmen by a debt constantly augmenting and yet not visibly obstructing the prosperity of the empire. The historian, who better than others has analyzed the domestic and social condition of the people—Lord Macaulay—has portrayed the alarm

which seized upon business men and publicists as often as any accession was made to the debt of England:—

"At every stage in the growth of that debt it has been seriously asserted by wise men that bankruptcy and ruin were at hand. At every stage in the growth of that debt the nation has set up the same cry of anguish and despair. Yet still the debt went on growing; and still bankruptcy and ruin were as remote as ever."

This apprehension reached the acme of discouragement in 1815, when at the close of the last of the wars with France the funded debt of England amounted to four thousand millions of dollars.

"It was in truth a gigantic, a fabulous debt; and we can hardly wonder that the cry of despair should have been louder than ever. But again the cry was found to have been as unreasonable as ever. The beggared, the bankrupt society not only proved able to meet all its obligations, but, while meeting those obligations, grew richer and richer so fast that the growth could almost be discerned by the eye."

The same writer gives his explanation of the fallacy of those who prophesied nothing but general destruction:—

"They erroneously imagined that there was an exact analogy between the case of an individual who is in debt to another individual, and the case of society which is in debt to a part of itself. They were under an error not less serious touching the resources of the country. They made no allowance for the effect produced by the incessant progress of every experimental science, and by the incessant efforts of every man to get on in life. They saw that the debt grew; and they forgot that other things grew as well as the debt."

And the noble historian affirms without fear of contradiction that England may in the next century

be better able to bear a debt of eight thousand millions of dollars than she is at the present time to bear her existing load. It is quite possible that the love of the sparkle of antithesis, which marks the writings of the brilliant essayist and philosopher, may have beguiled him into a somewhat extreme presentation of substantial truths; but I think we must admit the soundness of the political economy which imparts strength to the silver nerves of his rhetoric. At all events, the views he has presented of the resources of the English nation as the solid basis for public debt, may be applied with redoubled and intensified force to the actual and prospective circumstances of our own country. With a land affluent beyond comparison in the minerals which control civilization and supply currency and the useful arts, wanting literally nothing in the means of subsistence, overstocked with the products of diversified agriculture, a workshop and a granary for the markets of the world, teeming with a population whose inventive genius and elastic industry as far exceed those of the older countries as our ratio of progress has distanced theirs:—and above all, vitalized by personal freedom, which is the parent of productive power,—the United States, and Massachusetts as a component part and for all her share, can bear and extinguish a debt of fifteen hundred millions with less suffering and less inconvenience than any other nation that has existed since the creation of man.

There is of course a limit to public credit. The extent to which we can safely pledge our own property and production and those of our children, cannot be very well defined. I suppose the point at which the debt of the country would cease to be secure and would begin to work national degeneracy, would be reached whenever the debt should become so large that the productive industry of the country could not pay the interest and gradually sink the principal without stopping the general growth and progress. I have no apprehensions that we are destined to reach that point. First, then, we must have sufficient revenues to meet the interest and reduce the principal. No State can exist and advance without adhering to this principle. It was inscribed upon the columns of the administration of Washington. At the commencement of our life, Hamilton, who brought order out of chaos, wished to see it incorporated as a fundamental maxim in the financial system of the United States, that the creation of a debt should always be accompanied with the means of extinguishment. This he regarded as the true secret for rendering public credit immortal. Our present necessities absolutely devote us to this principle. So soon as our revenues shall be seen to meet this requisition, whatever be the modes of taxation from which those revenues are derived, our securities will be in high favor and feverish excitement will give way to general confidence; and until we settle that point, bank officers may visit the Secretary of the Treasury, and he may

return the visits, all in vain. How this is to be accomplished, it belongs to Congress to study and determine. Whatever system of taxation may be at first adopted, experience will doubtless suggest improvements which can only be ascertained by experiment. But for a stable credit, which shall leave men at liberty to pursue their business and labor to receive its rewards without the fear of disturbance, such measures of revenue must be as positively certain as they are unconditionally essential. And it is for the interest of every man, whether he be rich or poor, that such taxes be at once established and maintained. Hesitation, doubt, uncertainty in this respect, has already produced many of our financial troubles. For nine months we have been illustrating the language of the Roman orator, whose statesmanlike philosophy, with slight diversion from its provincial and literal application, may be repeated with practical reference to our present necessities of taxation:—

"*Nam in ceteris rebus, quum venit calamitas, tum detrimentum accipitur; at in victigalibus, non solum adventus mali, sed etiam metus ipse, affert calamitatem.*"

Second, this interest and sinking fund must be furnished without stopping the public growth. I do not believe we are to have that amount of debt which cannot be thus met. By the census of 1860 the value of real and personal property in the country is returned as somewhat over 17,000,000,000 dollars, and it appears that the increase since 1860 has been very much

more than one hundred per cent. A sum, therefore, measured by one-tenth to one-fifth of the surplus or profits of this period of ten years, would liquidate the probable expenditures of the war. The property of the people of the loyal States alone is nearly 13,000,000,000 dollars. I am aware there is but little comfort to the tax-payer to be derived from this style of statement; and yet it ought to nerve our faith and hope, to know, as well as we know any thing, that if the authority of the Federal Government be re-established, our power be again asserted at home and abroad, the sea again be made to murmur with the keels of our commerce, and the vast and complicated machinery of our internal production be again set to its music, the fractional part of our annual increase will take care of the whole national debt before the child born to-day shall arrive at the age of citizenship. The property of the country is indeed the basis upon which its liabilities are upheld; but not by that alone do I measure the certainty, or time, or facility of their payment. The property is the representative of production. And it is the production of the people, it is their industry which moves on with such marvellous progression, it is the amazing vigor and versatility and self-development of their genius, which will bear a burden that would crush the pillars of any other government beside.

In all these considerations Massachusetts is a party largely in interest. Whatever measures of taxation are to go into effect for the relief of the public

treasury, the people of this Commonwealth, as a loyal and paying community, will be large partakers. They are offering their sons on the altar of the Constitution, and they expect to contribute their money and their industry in the common expenditures. But there are some aspects of these financial relations, in which we of Massachusetts will appear prominently and conspicuously beyond the lot of other States. I have barely time to allude to the topic.

I think it just that we should not conceal the fact that the people of Massachusetts will be compelled by the circumstances of their domestic condition to pay an amount of the expenses of the war beyond their proportion of population. Any plan of internal taxation which is likely to be adopted, will fall in a large degree upon the industry, upon the production and consumption of the people ; in all of which there is no State which in proportion to its numbers presents so great a variety and luxury of life to be subjected to tribute, as this Commonwealth. The burdens of the debt cannot in any considerable measure be laid upon the lands of the people. It is not public policy that they should be. In Great Britain, where this matter of taxation has been reduced to almost a science, I understand that land pays directly not much more than one-sixth of the whole tax. The condition of the real estate of a country is one of the standards of its civilization,

and the stability and uniformity of its value must be maintained by all practicable legislation. It is therefore directly upon personal property, as one of the instruments of production, it is upon production and consumption, it is upon labor and enterprise, that the next twenty years of taxation will greatly depend.

In these respects Massachusetts is destined to become a prominent contributor. I find by inspecting the statistics of the census of 1860, so far as I have seen them, that while Massachusetts returns one-seventeenth part of the real estate of the loyal States, she actually shows one-eighth part of the whole personal estate. In this particular no State is her equal, except imperial New York, and even that State is absolutely but a little in advance of us, while proportionately she is far behind us. For while New York shows considerably more than double the real property of Massachusetts, her personal is in excess of ours by a mere fraction, large and populous as New York is.* These are striking facts. They place us far in the van of other States in respect to our personal property; and personal property is peculiarly an exponent of our industrial power, one of the chief instruments of our production, the tools of our industry and enterprise; and these agencies of production and industry are

	Real Estate.	Personal Property.
* New York, ...	$1,069,658,080 00	$320,806,558 00
Massachusetts, . . .	475,413,165 00	301,744,651 00

to a great extent representatives of the proportion in which we shall be brought to bear the expenses of the war.

If now you ask whether Massachusetts will not be called upon to sustain burdens beyond any thing she has experienced in the last forty years, I answer, certainly she will. If then it be asked whether she can bear the load, I answer, undoubtedly she can. I invoke the testimony of her history and experience. Her people in days gone by have illustrated both the ability and willingness to support government and liberty by every conceivable sacrifice. I cannot forget that within two years after the engagement which is commemorated by yonder shaft, a tax of 100,000 pounds was laid upon the State "when few had a competency and none could boast of abundance." I cannot overlook the fact that in 1780 the debt of Massachusetts was 5,000,000 dollars, or one-fourth part of the estimated valuation of her property. I cannot speak of the present war without being reminded that during the Revolution, and up to 1790, Massachusetts had actually paid towards the public expenses six and a half millions of dollars, and that this amount was afterward increased to ten millions by the incredible exertions of her small population. While I am discussing our present necessities, and the adequacy of our resources to meet them, a committee of the General Court of 1814 file in the area before me and report, that during the twenty-four years

succeeding the adoption of the Constitution, the federal treasury had received from Massachusetts alone thirty millions of dollars. And we are to remember that these amounts were paid when not only were our population and valuation comparatively small, but especially are we to remember that they were paid when the productive forces of the State were confined within the narrow limits of the old dispensation of her industry, which has since passed away and been succeeded by another and a better. Those great producers of the world, those great tax-payers of nations—Arkwright, and Crompton, and Watt, and Whitney, and their compeers in experimental science—had not then waved their wand over the dead level of human employment. The field of our producing power presented at that period only the few original occupations of men, undistinguished and undiscriminating, plodding unconsciously towards that higher destiny of the division of labor which is blessing our day with a harvest of public wealth. Steam and water had not yet been tamed to fellowship with the click of the loom and the song of the spindle. Nevertheless, in all the simplicity of their pursuits, and in all the poverty of their resources, the men of that period responded at length to every public claim, redeemed at length every public levy, and transmitted to us the record of their sacrifices without the taint of repudiation, and without so much as the blemish of non-payment. The heritage which they bequeathed to us, and

which for half a century we have improved and embellished, this temple of our present Zion, ought now to fade away forever before our eyes, if with bold faith, if with exultant alacrity, we do not gather around it with all our hearts and devote all our resources to its defence.

I have thus spoken of Massachusetts in the past, her contributions to the common liberties, when her financial abilities were thus restricted. But how shall I speak of her present capacity to grapple with the exigent demands of this crisis? The glow of a new dispensation now pervades the domain of her art and labor and commerce. Under the impulse imparted by machinery and the useful arts, she has thrown off the identity of the past age, and mounted to an elevation of productive power and wealth that finds no parallel among American communities. Since the payment of the last national debt, such progress as before would have been the measure for ages, has been concentrated into the space of a single generation. Within a period of thirty years the property of the State has been increased from 208,000,000 to 842,000,000, or more than four-fold.* This valuation is a standard measure of our industry, and the consideration of it in connection with the returns of our production will justly inspire the highest hope of the future. I have already said that the ability of the people to respond to taxation is to be estimated chiefly by their producing

* State valuation returns.

ability, and in this respect Massachusetts is in a condition to disregard all the croakings of the sad or the disaffected. Fortunately we can point to a well established system of statistical returns of our industry, which has already furnished volumes of facts upon which the credit of our securities defies the scrutiny of the markets of the world.

The first of these volumes was issued nearly twenty-five years ago. When Mr. Webster was in London in 1839, certain English capitalists, who had been applied to for money upon Massachusetts bonds, the first ever issued in a foreign market, came to him for information touching the credit of this parvenu on the stock list. "I went to my trunk," said Mr. Webster, "and took out an abstract of the official returns of the amount of the productive labor of Massachusetts. I put this into the hands of one of these inquirers, and told him to take it home and study it. He did so, and in two days returned and invested 200,000 dollars in Massachusetts stock."

If to-day the State desired to raise five or ten millions upon six per cent. stock at pàr, our last abstract of industry, published in 1855, would be the only agent we should need to negotiate the loan. With these returns in my hand, I plead our cause and our ability. If there be another community of a million and a quarter of inhabitants which can place a catalogue of its industry by the side of this, expressive of such versatility of talent and diversity of pursuit—so

blending utility with taste, and comfort with luxury —so intermingling agriculture with what we term the useful arts, and stamping upon both the seal of a common interest and a common destiny,—so absolutely gigantic in some of its larger products, and in some of the smaller as delicate and attenuated as a woman's perceptions and a woman's fingers can make it,—so pervading the entire State, every town, village, hamlet, household,—I know not where it is to be found, certainly not on this hemisphere. Figures of speech are dwarfed by the figures of these statistics. They exhibit an annual specified production of labor in the State of three hundred millions of dollars; and it was the opinion of the Secretary who compiled them that more accurate returns would swell the list to three hundred and fifty millions, or more than a million of dollars for every working day in the year. I have no doubt that similar returns in 1860 would have exhibited an amount of productive labor in the State of FOUR HUNDRED MILLIONS OF DOLLARS. It has been said that after the adoption of the Constitution, General Washington, at a dinner table in the midst of a party of friends, Northern and Southern, expatiated upon the great results he anticipated for the South under the new order of things, with her rich productions and profitable exchanges, and turning to one of his Northern guests, exclaimed—"But what will the North do?" "We, Sir," was the prompt reply—"We will live by our wits." And the fulfilment of the

prophetic reply has been consummated in our day, when a State that could be carved eight times out of the map of Virginia, produces annually from her fields and workshops more than the ordinary value of the cotton crop of the United States, all counted from the ruins of Jamestown to the banks of the Sabine. It would have startled the federal convention of 1787 with a new sense of the grandeur of its work, to have been told, that before all then born should pass to their sleep, the little Bay State, at that time without a spindle to respond to its waterfalls, should turn out in a year fifty millions in cotton and woollen fabrics; that in 1850 it should produce one-sixth part of the aggregate manufactures of the Confederacy. Cotesworth Pinckney would have been amazed if he had been told that his State should so soon yield a cotton crop of thirty or forty millions, but it would have been a greater shock to his nice sensibilities if he had been assured that Massachusetts would so soon give a boot and shoe crop of fifty millions. In a variety of phrase and comparison I might state the footings of the Massachusetts abstract by the side of the census returns of the United States in 1850; claiming for her one-sixth of the iron works, two-thirds of the fisheries, one-sixth of the imports, and one-tenth of the exports, one-third of the whole ocean tonnage, and four-fifths of the whale fisheries; that while commercial circles are agitated every day to the year's end from New Orleans round to New York, in Liverpool,

in London, by the quotations of cotton, there were a couple of hundred dealers in our own provincial Boston, whose quiet sales of raw and manufactured leather amounted to sixty millions. I might extend these facts and illustrations to the consumption of the State, and might show that there is not probably on the face of the earth a community of equal numbers whose consuming habits and capacity make so large and constant demand upon every branch of production that yields sustenance, or comfort, or luxury. But I forbear. These are the glimpses of more extended views that might readily be furnished, but they are sufficient to indicate the variety and extent of our productive forces. It all comes from the division of our labor, the organization of our industry, the separation of our employments, the application of experimental science and the useful arts. It is this which makes our little territory imperial. The abstract to which I have referred discloses a wonderful multiplicity of occupations in every quarter of the State, united by constant and copious admixture of interests. It reveals production, and exchange, and consumption, under almost every conceivable style and denomination of labor. The Commonwealth presents a scene of life and energy, of action and achievement, that possess all the interest of martial drama. Not an army has come upon the field, marshaled its squadrons, and contested its issues, each man ranging under his banner and responding to his bugle, with more of method

and subordination than is displayed by more than three hundred thousand men in Massachusetts as they come forth in the morning of every day, file off under their chosen pursuits, and lay down their trophies at nightfall upon the altars of home. Some three or four years since the Secretary of the State published a table of the numbers and occupations of all male persons in the Commonwealth over fifteen years of age; and I find that they number three hundred and thirty-four thousand, a third of a million, and are classified under one hundred and fifty different occupations. As the eye passes over these printed columns, and the imagination follows these men to their various posts of employment—to the tranquil fields of agriculture, to the resounding workshops, to the busy marts of trade, to the mysterious and prolific sea,—to the ponderous machine that is measured by a hundred or a thousand horses, and the subtle conceptions of genius that work their honest ten hours in iron, brass and copper, and never tire,—to the fine fashioning of rude woods, and the textiles wrought from the raw fibres of every land,—in short, through the vast laboratory of mortal skill which is ever at its work transmuting air and water, the earth and all that can be enticed out of it, aye, and thought, and reason itself, into productions for the market and supplies for mankind;—with what a comprehensive signification does our idea of the productive labor of Massachusetts become invested!

Such resources, capacities, developments, — such accumulations of stores, supplies, and wealth,—these sources and springs of our power,—are now brought to the test of consecration for the life of the Government. I can have no doubt that they will bear us securely, independently, triumphantly, through the struggle. They are now interrupted, but they cannot be destroyed. They will shortly and with renewed vigor, again assert their supremacy over the competitions of other States, over the vicissitudes and adversities of human lot. They will bear us again to fortune. Soon again the Commonwealth will resound with the echoes of industry through all her borders, and spread the sails of her commerce, the pride of the seas.

The bill now under consideration especially invites our attention to the aspect of our local finances. It levies what I concede to be a large tax, 1,800,000 dollars. The nearest approximation to this which we have before had in the present generation, was in 1857, and that was only half the present amount. Some idea of the practical application of this bill upon the people of the cities and towns, may be derived from a document sent in to the House by the Secretary on Saturday last, showing the aggregate of taxes assessed in the State in 1861 ; from which it appears that the total amount taxed for county, city, and town purposes, the last year, was 7,300,000 dollars. Assuming the same amounts to be raised the present year by the

several municipalities for local purposes, it will be seen that this bill will add nearly twenty-five per cent. more to the public taxes. The necessity for this is certainly to be regretted; but let the people consider that it is part and parcel of the necessities of the war. Of the amount proposed to be raised by this bill, 700,000 dollars is for the national tax assumed by the State, and nearly 500,000 dollars is for reimbursing to the towns their allowances to the families of volunteers. The people of Massachusetts need not be reminded that what amounts they expend in aid of the families of our brave volunteers will be re-coined to them in the wealth and treasure of the heart. I do not forget that the towns have incurred and will continue to incur still other expenditures on the war account, which will not be included in the reimbursements from the State Treasury. The whole subject is prolific in suggestions of local economy to the people of every city and town in the Commonwealth. Severe and persistent retrenchment in municipal expenses, is a paramount duty and necessity which will have to be learned in the next twelve months. I have requested the Secretary to furnish me with a statement of the aggregate tax which will be paid into the treasury by the fourteen cities in the State, upon the basis of this bill of 1,800,000 dollars; and I find their proportion to be 1,006,287 dollars. I submit whether the legislative authorities of these fourteen cities, whose appropriations for the year probably are yet to be made, cannot save a con-

siderable proportion of this million by measures of local retrenchment; and the several towns might doubtless measurably follow the example. Such considerations are now suggested to the home authorities by every motive of local duty and public patriotism, and if not heeded this year, they are very likely to be enforced the next by the several constituencies.

I pass now for a moment to the general condition of the finances of the State, present and prospective. The war found many of the loyal States under very heavy liabilities. It found Massachusetts substantially without a debt. I do not mean that we have not outstanding scrip to a large amount, at home and abroad; but its ultimate and certain extinguishment has been provided for by ways and means that will involve no necessity of much taxation. The condition of our public liabilities at the present time may be easily and satisfactorily stated. *First*, we have loaned the scrip of the State to certain railroad corporations to the amount of 5,825,000 dollars; but for the whole of this amount the State holds securities, and these companies may be relied upon to pay the debt. From this estimate the Troy and Greenfield Railroad is not excepted, because, the State having given its confidence to the enterprise, I feel bound to believe that this confidence has not been misplaced. *Second*, we have issued upon the account of the Union Loan Fund of 1861, 2,217,500 dollars, which may be under the law carried up to 3,600,000 dollars; but this for the most part will

be reimbursed to us by the general government, a portion having already been refunded. *Third*, we have outstanding scrip, issued from time to time upon sundry accounts of State charities and for other purposes, amounting to 1,589,000 dollars; and for these loans we have provided various extinguishment funds which will probably in the aggregate be nearly or quite sufficient to redeem the debts at their maturity. Under this triad classification, then, I find our public debt may be stated; and I find it also apparently provided for. Very likely there may be some deficiencies; and it is not by any means improbable that our expenditures for national purposes and coast defences may not altogether fall within the legitimate rule of reimbursement by the United States. But such deficiencies cannot in any sense be a serious burden upon the State.

With the amount which the present tax bill will supply, and with the added amounts of the annual revenue, we advance in good condition up to January next. At that time I estimate that the State will have to provide for reimbursing the towns on account of military expenses, 2,500,000 dollars. Add to this, if you please, somewhat by conjecture, 1,000,000 dollars to cover all deficiencies before referred to, all local military claims, and unforeseen contingencies, and you have made up a debt of 3,500,000 dollars. This amount can readily be raised within two or three years; while the ordinary revenue, increased by the measures of taxation proposed by the Finance Com-

mittee upon the funds of sundry corporations, will be amply sufficient to meet our current expenses, large as they are or are likely to be. It is not a forced conclusion, therefore, to say that the present and prospective financial condition of the State is, so far as can now be seen, free of embarrassment or apprehension. I advise every man who holds a dollar of Massachusetts scrip, to continue to hold it and cherish it. Our credit is second to that of no State in the world. As if to gild the very edges of our scrip, we have during the present session provided that both interest and principal shall be paid in coin. It has been stated with historic sanction, that when, long ago, the little province of Holland owed a debt of 25,000,000 dollars, so just was her sense of national faith that the interest was always ready to the day, and whenever any portion of the principal was paid the public creditor received his money with tears. There is certainly no good reason why the credit of Massachusetts should not now awaken similar emotions, provided only the sensibilities of the public creditors remain the same.

Mr. Speaker, in these remarks I have confined myself to the financial relations of the war, and to our material ability to support the government through this great crisis. The manner of conducting the war I have not discussed, because that rests in the discretion and conscience of those who have assumed the trust of guardians of our liberty. If through any fault of theirs the contest shall fall short of the sublime object

which free and loyal men have at heart, the people will not be answerable. I cannot refrain from repeating in this connection the language of Mr. Burke, uttered under circumstances of national peril and when appalling fancies disturbed his mind:—

"The people [of Massachusetts] look up to that Government which they obey, that they may be protected. They have in all things reposed an enduring, but not an unreflecting confidence. That confidence demands a full return, and fixes a responsibility on the ministers entire and undivided. The people stand acquitted, if the war is not carried on in a manner suited to its objects. If the public honor is tarnished, if the public safety suffers any detriment, the ministers, not the people, are to answer it, and they alone. Its armies, its navies, are given to them without stint or restriction. Its treasures are poured out at their feet. Its constancy is ready to second all their efforts. They are not to fear a responsibility for acts of manly adventure. The responsibility which they are to dread, is, lest they should show themselves unequal to the expectations of a brave people. There is a responsibility which attaches on them, from which the whole legitimate power of this country cannot absolve them; there is a responsibility to conscience and to glory; a responsibility to the existing world, and to that posterity which men of their eminence cannot avoid, for glory or for shame; a responsibility to a tribunal, at which not only ministers, but even nations themselves, must one day answer."

But I indulge in no such apprehensions. I have an undoubting faith in the honest man who is at the head of the government, that he will be just to all parts of his country, and not forgetful of the principles upon which he was borne into office. The people of Massachusetts believe in no object worthy of exhausting their treasures and shedding their blood, less than the absolute and unconditional

recovery of the authority of the government, if that be possible. They believe that to be possible. And if, in the necessary train for the accomplishment of that purpose, any tradition, or custom, or relation, or domestic institution stand as an obstacle—whatever it may be—let it be swept away. The national life is the principal; all other things are incidents. The war will terminate ingloriously for us, if we reach any other than honorable peace. And honorable peace is to be conquered, not purchased, or compromised.

It will come at last; the war cannot continue any very great length of time. And with peace, it is not difficult to foresee that humanity may assert her title to some share in the victory, though it be in the best of all the ways of human reform, by simple operation of natural causes rather than by prolonged violence. With peace, it is not difficult to foresee, as one of the consequences which may be evolved by Divine Providence out of this tragic epoch in the world's history, that liberty—as we learn the word from the stately prose of Milton, from the serene benevolence of Washington, from the impetuous democracy of Jefferson—may vindicate her claim to the poet's numbers:—

> "More great than ever now, and more august,
> Now glorified, she from her fires does rise;
> Her widening paths on new foundations trust,
> And opening into larger parts she flies."